(d) the help given by Government to revive the premier sick company?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) to (d) Board for Industrial and Financial Reconstruction (BIFR) has reported that M/s Dunlop India Limited was registered with the BIFR on 3.2.1998 and was declared sick on 22.6.1998 under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA).

In the BIFR hearing held on 22.6.1998, the Industrial Development Bank of India (IDBI) was appointed as the Operating Agency (DA). The company was directed by the BIFR to submit its revival proposal to the DA within 6 weeks and IDBI was directed to submit its report within 12 weeks. Further action will be taken by BIFR in accordance with the provisions of SICA.

Delay in Bangalore Water Supply and Sewerage Project

4491. DR. MOHAN BABU:
SHRI K. RAHMAN KHAN:

Will the Minister of FINANCE be pleased to state:

(a) the reasons for which water supply and sewerage project assisted by OECF Japan has not commenced even though the project had been approved in the year 1996;

(b) whether the State Government of Tamil Nadu has objected to the project and has directly written not to sanction the project to the aid agency;

(c) whether a State Government can directly deal with the aid agency without Government of India's approval; and

(d) what action Government propose to take for speedy implementation of the project?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) The loan agreement for Bangalore Water Supply and Sewerage Project was signed with OECF on 25.1.1996. The project implementation commenced after loan effectuation on 26.3.1996.

(b) Yes, Sir.

(c) The Government of Tamil Nadu has since been requested that all such issues should be taken up through Ministry of Finance rather than directly with the funding agency i.e., OECF.

(d) The project is being implemented by the Bangalore Water Supply and Sewerage Board. Government is closely monitoring the progress. Expenditure during June, 1998 was Rs. 0.16 crores for a cumulative expenditure of Rs. 0.36 crores during 98-99.

Excise Duty on Pan Masala and Mouth Freshner

4492. SHRI BRAHMAKUMAR BHATT: Will the Minister of FINANCE be pleased to state:

(a) the rates of excise duty imposed on Pan Masala and Mouth Freshner;

(b) whether Government are aware that not only major ingredients and other ingredients differ but also the perscentage of common ingredients differ in the case of Pan Masala and Mouth Freshner;

(c) if so, the details of ingredients and their percentage used in these two projects;

(d) whether Government considers that classification of Pan Masala and Mouth Freshner under one category is not justified; and

(e) if so, whether Government would consider exemption/reduction of excise duty on Mouth Freshner?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) Pan masala and Mouth freshner falling under sub-heading No. 2106.00 of the Central Excise Tariff attract excise duty of 40% ad valoram.

(b) to (d) Pan Masala contains betelnut and any one or more of the following ingredients, namely, lime, katha (catechu) and tobacco, and/or cardamom, copra, menthol, etc. The so called Mouth Freshner generally contains dry dates (chhuara), betelnut, catechu, lime, flavouring material and/or any other ingredients, namely, sugar, cocoa, mulethi, menthol cardomom, saunf, etc. Chapter Note 3 of Chapter 21 of the Central Excise Tariff lays down that "Pan Masala" means any preparation containing betelnuts and any one or more of the following ingredients, namely, lime katha (catechu) and tobacco, whether or not containing any other ingredients, such as cardomom, copra and menthol. All products conforming to the above mentioned definition of "Pan Masala" would be classifiable under sub-heading No. 2106.00 irrespective of the proportion or percentage of different ingredients. Thus, a product conforiming to the said definition, whether described as Pan Masala or Mouth Freshner, would be classified as "Pas Masala" under sub-heading No. 2106.00 of the Central Excise Tariff.

(e) Does not arise in view of (b) to (d) above.

Steps to improve bedgeting and fiscal Management system

4493. SHRI RAJUBHAI A. PARMAR:
SHRIMATI VEENA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether poor budgeting and financial mismanagement by most of the Governments have for years been responsible for the sharp decline in growth rate;

(b) if so, the percentage of over-spending or savings by Government departments, over the intial estimates of expenditure during each year since 1995-96 in respect of planned and non-planed expenditure separtely; and

(c) what spescific steps have been and are being taken by Government to improve the budgeting and fiscal management system?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (c) After achieving an average growth rate of 7.5 percent per annum in terms of real Gross Domestic Product (GDP) during 1994-95 to 1996-97 the growth rate decelerated to 5 percent in 1997-98. The deceleration in the growth rate is maintly due to a fall of agricultural value added by 2 percent in 1997-98 and a sharp slowdown in industrial growth.

There is no quantifiable direct relationship between Government expenditure and the growth rate of Gross Domestic Product. The following table below shows the variation between Budget Estimates & Revised Estimate of Plan and Non-Plan expenditure during the years 1995-96 to 1997-98. The improvement in budgeting and fiscal expenditure management is a continuing excercise.

(Rs Crore)

	Budget Estimates			Revised Estimates			%	Actual			%
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	increase in R.E. over B.E.	Plan	Non-Plan	Total	increase in actuals over B.E.
1995-96	48500	123652	172152	48684	134320	183004	6.30	46374	131901	178275	3.56
1996-97	54685	149975	204660	54894	147404	202298	-1.15	53534	147473	201007	-1.78
1997-98	62852	169324	232176	60630	174615	235245	1.32	*	*	*	

*Under compilation.

The department-wise details of the Budget Estimates and Revised Estimates of expenditure and variation between them have been given in Statement No. 2 of Expenditure Budget Vol. 1 for Budget 1996-97 and Budget 1997-98.